

## 2013 Plan Information Worksheet

Status:

### Plan Sponsor Information

Plan Sponsor's Name Lawrence Livermore National Security, LLC	Plan Sponsor's Mailing Address 7000 East Avenue Mail Stop L-640	Foreign <input type="checkbox"/>
Abbreviated Plan Sponsor's Name Lawrence Livermore National Security, LLC	Plan Sponsor's Mailing City, Province, State and ZIP Livermore CA 94550	
Plan Sponsor's Doing Business As Name	Plan Sponsor's Location Address	Foreign <input type="checkbox"/>
Plan Sponsor's Care Of Name	Plan Sponsor's Location City, Province, State and ZIP	
Plan Sponsor's EIN 20-5624386		
Plan Sponsor's Phone Number (925) 424-5085		

### Plan Administrator Information

<input type="checkbox"/> Same as Plan Sponsor Name	<input type="checkbox"/> Same as Plan Sponsor Address	
Plan Administrator's Name LLNS Benefits and Investment Committee	Plan Administrator's Address 7000 East Avenue Mail Stop L-640	Foreign <input type="checkbox"/>
Plan Administrator's Care Of Name	Plan Administrator's City, Province, State and ZIP Livermore CA 94550	
Plan Administrator's EIN 20-5624386	Plan Administrator's Phone Number (925) 424-5085	

### Plan Information

Plan Name LLNS Defined Benefit Pension Plan	Business Code 541700	Filing for Plan Year: 2013	DFE Plan <input type="checkbox"/>
	Plan Year Begins	MM/DD/YYYY 01/01/2013	MM/DD/YYYY Ends 12/31/2013
Abbreviated Plan Name LLNS Defined Benefit Pension Plan	Tax Year Begins	MM/DD/YYYY 01/01/2013	MM/DD/YYYY Ends 12/31/2013
Three-digit Plan Number 003	Plan ID	Name Control	
EIN for PBGC Forms	Effective Date of Plan 10/01/2007		

### Transmitter Information

Transmitter's TIN 36-2235791	Transmitter Control Code (TCC) 60849	Contact Name Bobbie Moore
Transmitter's Name Bobbie Moore	Contact Telephone Number (847) 295-5000	
Company Name Hewitt Associates LLC	Contact E-Mail Address bobbie.moore@aonhewitt.com	
Company Mailing Address 4 Overlook Point	Foreign <input type="checkbox"/>	
Company City, Province, State and ZIP Lincolnshire IL 60069		

Do NOT File with IRS, DOL or PBGC

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## Preparer Information

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Preparer's Name

Preparer's City, Province, State and ZIP

Preparer's Firm Name

Preparer's Phone Number

Preparer's Address

Foreign ☐

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## Trust Information

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Name of Trust

Trust EIN

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## Signers, Service Providers and Interested Individuals

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☒ Notify Plan Administrator

Contact Phone Number

Contact Name

Renee Breyer

Contact ID

E-Mail Address

breyer1@lntl.gov

☒ Notify Relationship Manager

Contact Phone Number

Contact Name

Carol Christopher

Contact ID

E-Mail Address

Christopher2@lntl.gov

☒ Notify Relationship Manager

Contact Phone Number

Contact Name

Lynn Soderstrom

Contact ID

E-Mail Address

soderstrom1@lntl.gov

☐ Notify

Contact Phone Number

Contact Name

E-Mail Address

Contact ID

☐ Notify

Contact Phone Number

Contact Name

E-Mail Address

bobbie.moore@aonhewitt.com

Contact ID

☐ Notify

Contact Phone Number

Contact Name

E-Mail Address

Contact ID

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Contact Phone Number

Contact Name

E-Mail Address

Contact ID

☐ Notify

Contact Phone Number

Contact Name

E-Mail Address

Contact ID

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<b>Form 5500</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Annual Return/Report of Employee Benefit Plan</b>  This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).  ► <b>Complete all entries in accordance with the instructions to the Form 5500.</b>	OMB Nos. 1210-0110 1210-0089  <b>2013</b>  <b>This Form is Open to Public Inspection</b>
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<b>Part I</b>	<b>Annual Report Identification Information</b>
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
<b>A</b> This return/report is for:	<input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or <input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____
<b>B</b> This return/report is:	<input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report; <input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months).
<b>C</b> If the plan is a collectively-bargained plan, check here. ....	► <input checked="" type="checkbox"/>
<b>D</b> Check box if filing under:	<input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program; <input type="checkbox"/> special extension (enter description)

<b>Part II</b>	<b>Basic Plan Information</b> —enter all requested information
<b>1a</b> Name of plan LLNS Defined Benefit Pension Plan	<b>1b</b> Three-digit plan number (PN) ► 003
	<b>1c</b> Effective date of plan 10/01/2007
<b>2a</b> Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) Lawrence Livermore National Security, LLC  7000 East Avenue Mail Stop L-640 Livermore CA 94550	<b>2b</b> Employer Identification Number (EIN) 20-5624386 <b>2c</b> Sponsor's telephone number (925) 424-5085 <b>2d</b> Business code (see instructions) 541700

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

<b>SIGN HERE</b>			Renee Breyer
	<b>Signature of plan administrator</b>	<b>Date</b>	<b>Enter name of individual signing as plan administrator</b>
<b>SIGN HERE</b>			
	<b>Signature of employer/plan sponsor</b>	<b>Date</b>	<b>Enter name of individual signing as employer or plan sponsor</b>
<b>SIGN HERE</b>			
	<b>Signature of DFE</b>	<b>Date</b>	<b>Enter name of individual signing as DFE</b>
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

<b>3a</b> Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor Name <input type="checkbox"/> Same as Plan Sponsor Address LLNS Benefits and Investment Committee  7000 East Avenue Mail Stop L-640  Livermore CA 94550	<b>3b</b> Administrator's EIN 20-5624386  <b>3c</b> Administrator's telephone number (925) 424-5085
<b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: <b>a</b> Sponsor's name	<b>4b</b> EIN  <b>4c</b> PN
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b> 3,772
<b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).	
<b>a</b> Active participants.....	<b>6a</b> 2,875
<b>b</b> Retired or separated participants receiving benefits .....	<b>6b</b> 501
<b>c</b> Other retired or separated participants entitled to future benefits.....	<b>6c</b> 380
<b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....	<b>6d</b> 3,756
<b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. ....	<b>6e</b> 18
<b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> . ....	<b>6f</b> 3,774
<b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) .....	<b>6g</b>
<b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested .....	<b>6h</b> 0
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	<b>7</b>

**8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:  
 1A 3F

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

<b>9a</b> Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	<b>9b</b> Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

<b>a Pension Schedules</b> (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)  (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  (3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	<b>b General Schedules</b> (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information) (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan) (3) <input type="checkbox"/> <b>A</b> (Insurance Information) (4) <input type="checkbox"/> <b>C</b> (Service Provider Information) (5) <input checked="" type="checkbox"/> <b>D</b> (DFE/Participating Plan Information) (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)
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<b>SCHEDULE SB (Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Single-Employer Defined Benefit Plan Actuarial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500 or 5500-SF.</b>	OMB No. 1210-0110  <b>2013</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
▶ <b>Round off amounts to nearest dollar.</b>	
▶ <b>Caution:</b> A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
<b>A</b> Name of plan  LLNS Defined Benefit Pension Plan	<b>B</b> Three-digit plan number (PN) ▶ 003
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF  Lawrence Livermore National Security, LLC	<b>D</b> Employer Identification Number (EIN)  20-5624386
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500

<b>Part I</b>	<b>Basic Information</b>
<b>1</b>	Enter the valuation date: Month 1 Day 1 Year 2013
<b>2</b>	Assets:
<b>a</b>	Market value ..... <b>2a</b> 2,173,621,105
<b>b</b>	Actuarial value ..... <b>2b</b> 2,096,540,493
<b>3</b>	Funding target/participant count breakdown:
	(1) Number of participants (2) Funding Target
<b>a</b>	For retired participants and beneficiaries receiving payment ..... <b>3a</b> 307 219,379,599
<b>b</b>	For terminated vested participants ..... <b>3b</b> 340 74,468,845
<b>c</b>	For active participants:
(1)	Non-vested benefits ..... <b>3c(1)</b> 10,200,376
(2)	Vested benefits ..... <b>3c(2)</b> 1,221,113,964
(3)	Total active ..... <b>3c(3)</b> 3,134 1,231,314,340
<b>d</b>	Total ..... <b>3d</b> 3,781 1,525,162,784
<b>4</b>	If the plan is in at-risk status, check the box and complete lines (a) and (b) ..... <input type="checkbox"/>
<b>a</b>	Funding target disregarding prescribed at-risk assumptions ..... <b>4a</b>
<b>b</b>	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... <b>4b</b>
<b>5</b>	Effective interest rate ..... <b>5</b> 6.46 %
<b>6</b>	Target normal cost ..... <b>6</b> 70,249,338

**Statement by Enrolled Actuary**  
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<b>SIGN HERE</b>	
Signature of actuary	10/06/2014
Margo A. Burdette	Date
Type or print name of actuary	14-05676
HEWITT ASSOCIATES LLC	Most recent enrollment number
Firm name	(770) 956-7777
3350 Riverwood Pkwy Suite 80	Telephone number (including area code)
Atlanta GA 30339-3370	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.** **Schedule SB (Form 5500) 2013 v. 130118**

<b>Part II Beginning of Year Carryover and Prefunding Balances</b>		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	0
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	0
<b>10</b>	Interest on line 9 using prior year's actual return of <u>14.10</u> % .....		
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year) .....		36082843
	<b>b</b> Interest on (a) using prior year's effective interest rate of <u>7.18</u> % except as otherwise provided (see instructions) .....		2590748
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		38673591
	<b>d</b> Portion of (c) to be added to prefunding balance .....		38673591
<b>12</b>	Other reductions in balances due to elections or deemed elections .....	0	0
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12) .....	0	38673591

<b>Part III Funding Percentages</b>			
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	134.92 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	137.46 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	151.59 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

<b>Part IV Contributions and Liquidity Shortfalls</b>					
<b>18</b> Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2014	20,000,000	0			
12/31/2013	0	20,395,182			
<b>Totals ►</b>			<b>18(b)</b>	20,000,000	<b>18(c)</b> 20,395,182

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

<b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....	<b>19a</b>	0
<b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>	0
<b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b>	18,454,286

**20** Quarterly contributions and liquidity shortfalls:

**a** Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

**b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

**c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

<b>21</b> Discount rate:				
<b>a</b> Segment rates:	1st segment: 4.94 %	2nd segment: 6.15 %	3rd segment: 6.76 %	<input type="checkbox"/> N/A, full yield curve used
<b>b</b> Applicable month (enter code).....				<b>21b</b> 0
<b>22</b> Weighted average retirement age .....				<b>22</b> 60
<b>23</b> Mortality table(s) (see instructions) <input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute				

**Part VI Miscellaneous Items**

<b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. ....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment .....	<b>27</b>

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

<b>28</b> Unpaid minimum required contributions for all prior years .....	<b>28</b>	0
<b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	<b>29</b>	0
<b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....	<b>30</b>	0

**Part VIII Minimum Required Contribution For Current Year**

<b>31</b> Target normal cost and excess assets (see instructions):			
<b>a</b> Target normal cost (line 6).....	<b>31a</b>	70,249,338	
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	70,249,338	
<b>32</b> Amortization installments:	Outstanding Balance		Installment
<b>a</b> Net shortfall amortization installment.....	0		0
<b>b</b> Waiver amortization installment .....	0		0
<b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount .....	<b>33</b>		
<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	<b>34</b>	0	
	Carryover balance	Prefunding balance	Total balance
<b>35</b> Balances elected for use to offset funding requirement.....	0	0	0
<b>36</b> Additional cash requirement (line 34 minus line 35).....	<b>36</b>	0	
<b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	<b>37</b>	18,454,286	
<b>38</b> Present value of excess contributions for current year (see instructions)			
<b>a</b> Total (excess, if any, of line 37 over line 36) .....	<b>38a</b>	18,454,286	
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....	<b>38b</b>	0	
<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....	<b>39</b>	0	
<b>40</b> Unpaid minimum required contributions for all years .....	<b>40</b>	0	

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

<b>41</b> If an election was made to use PRA 2010 funding relief for this plan:			
<b>a</b> Schedule elected .....	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years		
<b>b</b> Eligible plan year(s) for which the election in line 41a was made .....	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011		
<b>42</b> Amount of acceleration adjustment .....	<b>42</b>		
<b>43</b> Excess installment acceleration amount to be carried over to future plan years .....	<b>43</b>		

<b>SCHEDULE SB</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Single-Employer Defined Benefit Plan</b> <b>Actuarial Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).  <b>► File as an attachment to Form 5500 or 5500-SF.</b>	OMB No. 1210-0110  <b>2013</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

► **Round off amounts to nearest dollar.**

► **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<b>A</b> Name of plan  LLNS DEFINED BENEFIT PENSION PLAN	<b>B</b> Three-digit plan number (PN) ► <u>003</u>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF  LAWRENCE LIVERMORE NATIONAL SECURITY, LLC	<b>D</b> Employer Identification Number (EIN)  20-5624386
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	
<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information			
1	Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2013</u>		
2	Assets:		
	a Market value .....	<b>2a</b>	2,173,621,105
	b Actuarial value .....	<b>2b</b>	2,096,540,493
3	Funding target/participant count breakdown:	(1) Number of participants	(2) Funding Target
	a For retired participants and beneficiaries receiving payment .....	<b>3a</b>	219,379,599
	b For terminated vested participants .....	<b>3b</b>	74,468,845
	c For active participants:		
	(1) Non-vested benefits .....	<b>3c(1)</b>	10,200,376
	(2) Vested benefits .....	<b>3c(2)</b>	1,221,113,964
	(3) Total active .....	<b>3c(3)</b>	1,231,314,340
	d Total .....	<b>3d</b>	1,525,162,784
4	If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>		
	a Funding target disregarding prescribed at-risk assumptions .....	<b>4a</b>	
	b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor .....	<b>4b</b>	
5	Effective interest rate .....	<b>5</b>	6.46 %
6	Target normal cost .....	<b>6</b>	70,249,338

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<b>SIGN HERE</b>	<div style="text-align: center;">         Signature of actuary     </div>	<div style="text-align: center;"> <u>10/06/2014</u>        Date  <u>14-05676</u>        Most recent enrollment number  <u>(770) 956-7777</u>        Telephone number (including area code)     </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;">         Margo A. Burdette          Type or print name of actuary           HEWITT ASSOCIATES LLC          Firm name          3350 Riverwood Pkwy Suite 80          Atlanta          Address of the firm       </div> <div style="width: 35%; text-align: right;">         GA 30339-3370       </div> </div>		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2013  
v. 130118



<b>Part II Beginning of Year Carryover and Prefunding Balances</b>		(a) Carryover balance	(b) Prefunding balance
<b>7</b>	Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....	0	0
<b>8</b>	Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....	0	0
<b>9</b>	Amount remaining (line 7 minus line 8) .....	0	0
<b>10</b>	Interest on line 9 using prior year's actual return of <u>14.10</u> % .....		
<b>11</b>	Prior year's excess contributions to be added to prefunding balance:		
	<b>a</b> Present value of excess contributions (line 38a from prior year) .....		36,082,843
	<b>b</b> Interest on (a) using prior year's effective interest rate of <u>7.18</u> % except as otherwise provided (see instructions) .....		2,590,748
	<b>c</b> Total available at beginning of current plan year to add to prefunding balance .....		38,673,591
	<b>d</b> Portion of (c) to be added to prefunding balance .....		38,673,591
<b>12</b>	Other reductions in balances due to elections or deemed elections .....	0	0
<b>13</b>	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12) .....	0	38,673,591

<b>Part III Funding Percentages</b>			
<b>14</b>	Funding target attainment percentage .....	<b>14</b>	134.92 %
<b>15</b>	Adjusted funding target attainment percentage .....	<b>15</b>	137.46 %
<b>16</b>	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement .....	<b>16</b>	151.59 %
<b>17</b>	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage .....	<b>17</b>	%

<b>Part IV Contributions and Liquidity Shortfalls</b>					
<b>18</b> Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2014	20,000,000	0			
12/31/2013	0	20,395,182			
<b>Totals ▶</b>			<b>18(b)</b>	20,000,000	<b>18(c)</b> 20,395,182

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years. ....	<b>19a</b>	0
b Contributions made to avoid restrictions adjusted to valuation date .....	<b>19b</b>	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....	<b>19c</b>	18,454,286

**20** Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

<b>21</b> Discount rate:				
<b>a</b> Segment rates:	1st segment: 4.94 %	2nd segment: 6.15 %	3rd segment: 6.76 %	<input type="checkbox"/> N/A, full yield curve used
<b>b</b> Applicable month (enter code).....				<b>21b</b> 0
<b>22</b> Weighted average retirement age .....				<b>22</b> 60
<b>23</b> Mortality table(s) (see instructions)	<input type="checkbox"/> Prescribed - combined <input checked="" type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute			

**Part VI Miscellaneous Items**

<b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>27</b> If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	<b>27</b>

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

<b>28</b> Unpaid minimum required contributions for all prior years .....	<b>28</b>	0
<b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	<b>29</b>	0
<b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....	<b>30</b>	0

**Part VIII Minimum Required Contribution For Current Year**

<b>31</b> Target normal cost and excess assets (see instructions):												
<b>a</b> Target normal cost (line 6).....	<b>31a</b>	70,249,338										
<b>b</b> Excess assets, if applicable, but not greater than line 31a .....	<b>31b</b>	70,249,338										
<b>32</b> Amortization installments:	<table border="1"> <thead> <tr> <th></th> <th>Outstanding Balance</th> <th>Installment</th> </tr> </thead> <tbody> <tr> <td><b>a</b> Net shortfall amortization installment.....</td> <td>0</td> <td>0</td> </tr> <tr> <td><b>b</b> Waiver amortization installment .....</td> <td>0</td> <td>0</td> </tr> </tbody> </table>				Outstanding Balance	Installment	<b>a</b> Net shortfall amortization installment.....	0	0	<b>b</b> Waiver amortization installment .....	0	0
	Outstanding Balance	Installment										
<b>a</b> Net shortfall amortization installment.....	0	0										
<b>b</b> Waiver amortization installment .....	0	0										
<b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount .....	<b>33</b>											
<b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33) ..	<b>34</b>	0										
		Carryover balance	Prefunding balance									
<b>35</b> Balances elected for use to offset funding requirement.....	0	0	0									
<b>36</b> Additional cash requirement (line 34 minus line 35).....	<b>36</b>	0										
<b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	<b>37</b>	18,454,286										
<b>38</b> Present value of excess contributions for current year (see instructions)												
<b>a</b> Total (excess, if any, of line 37 over line 36) .....	<b>38a</b>	18,454,286										
<b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....	<b>38b</b>	0										
<b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....	<b>39</b>	0										
<b>40</b> Unpaid minimum required contributions for all years .....	<b>40</b>	0										

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

<b>41</b> If an election was made to use PRA 2010 funding relief for this plan:	
<b>a</b> Schedule elected .....	<input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years
<b>b</b> Eligible plan year(s) for which the election in line 41a was made .....	<input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011
<b>42</b> Amount of acceleration adjustment .....	<b>42</b>
<b>43</b> Excess installment acceleration amount to be carried over to future plan years .....	<b>43</b>

Schedule SB Attachment (Form 5500)—2013 Plan Year  
LLNS Defined Benefit Pension Plan  
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Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2013

<b>Date</b>	<b>Amount</b>	<b>Days to Discount to 1/1/2013 at 6.46%</b>	<b>Interest Adjusted Contribution</b>
April 15, 2014	<u>\$ 20,000,000</u>	469	<u>\$ 18,454,286</u>
Total Contribution	\$ 20,000,000		\$ 18,454,286

Schedule SB Attachment (Form 5500)—2013 Plan Year  
LLNS Defined Benefit Pension Plan  
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Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
50.5	4.00%	1.0000	2.02
51.5	4.00%	0.9600	1.98
52.5	4.00%	0.9216	1.94
53.5	4.00%	0.8847	1.89
54.5	5.00%	0.8493	2.31
55.5	5.00%	0.8069	2.24
56.5	6.00%	0.7665	2.60
57.5	6.00%	0.7205	2.49
58.5	8.00%	0.6773	3.17
59.5	14.00%	0.6231	5.19
60.5	20.00%	0.5359	6.48
61.5	20.00%	0.4287	5.27
62.5	20.00%	0.3430	4.29
63.5	20.00%	0.2744	3.48
64.5	25.00%	0.2195	3.54
65.5	30.00%	0.1646	3.23
66.5	25.00%	0.1152	1.92
67.5	25.00%	0.0864	1.46
68.5	25.00%	0.0648	1.11
69.5	25.00%	0.0486	0.84
70.5	20.00%	0.0365	0.51
71.5	20.00%	0.0292	0.42
72.5	20.00%	0.0233	0.34
73.5	20.00%	0.0187	0.27
74.5	20.00%	0.0149	0.22
75	100.00%	0.0119	0.90
Weighted Average			60.11

Schedule SB Attachment (Form 5500)—2013 Plan Year  
 LLNS Defined Benefit Pension Plan  
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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of January 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21.
1st Segment Rate	4.94%
2nd Segment Rate	6.15%
3rd Segment Rate	6.76%
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of January 2013), without regard to the MAP-21 interest rate corridor.
1st Segment Rate	1.62%
2nd Segment Rate	4.40%
3rd Segment Rate	5.45%
Salary Increases	
Minimum Funding Target Normal Cost	3.75%
Maximum Tax Expected Benefit Increase	3.75%
Optional Payment Form Election Percentage	Single participants: single life annuity. Married participants: joint and 50% survivor annuity.
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 59.
Mortality Rates	
Healthy and Disabled	2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).
Withdrawal Rates	See Table 2.
Disability Rates	See Table 3.
Decrement Timing	Middle of year decrements, with 100% retirement occurring at beginning of year.
Surviving Spouse Benefit	It is assumed that 85% of males and 65% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2012 pensionable earnings rolled forward one year. with the salary increase assumption.

Schedule SB Attachment (Form 5500)—2013 Plan Year  
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Benefit and Compensation Limits

Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$205,000 and the IRC section 401(a)(17) compensation limit of \$255,000.

Valuation of Plan Assets

Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.

A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).

Expected Return on Assets

2011 Plan Year

8.00%, limited to 6.46%.

2012 Plan Year

7.50%

Trust Expenses Included in Target Normal Cost

The expense load was based on the prior year's actual plan administrative expenses, minus the previous year's PBGC premium, plus the current year's estimated PBGC premium rounded to the nearest \$100,000 (\$1,400,000 for 2013).

Actuarial Method

Standard unit credit cost method.

Valuation Date

January 1, 2013.

Schedule SB Attachment (Form 5500)—2013 Plan Year  
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Table 1

**Retirement Rates**

<b>Age</b>	<b>Rate</b>
50	4.00%
51	4.00%
52	4.00%
53	4.00%
54	5.00%
55	5.00%
56	6.00%
57	6.00%
58	8.00%
59	14.00%
60	20.00%
61	20.00%
62	20.00%
63	20.00%
64	25.00%
65	30.00%
66	25.00%
67	25.00%
68	25.00%
69	25.00%
70	20.00%
71	20.00%
72	20.00%
73	20.00%
74	20.00%
75+	100.00%

Schedule SB Attachment (Form 5500)—2013 Plan Year  
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Withdrawal Rates

Age	Years of Service					
	0	1	2	3	4	5+
15	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
16	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
17	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
18	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
19	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
20	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
21	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
22	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
23	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
24	26.00%	23.00%	20.00%	16.00%	15.00%	12.00%
25	26.00%	23.00%	20.00%	15.00%	14.00%	12.00%
26	25.00%	22.00%	19.00%	15.00%	14.00%	11.00%
27	25.00%	22.00%	18.00%	15.00%	14.00%	11.00%
28	25.00%	22.00%	18.00%	15.00%	14.00%	11.00%
29	24.00%	21.00%	17.00%	14.00%	13.00%	10.00%
30	24.00%	21.00%	17.00%	14.00%	13.00%	10.00%
31	23.00%	20.00%	16.00%	13.00%	12.00%	9.00%
32	23.00%	19.00%	15.00%	12.00%	11.00%	9.00%
33	23.00%	19.00%	15.00%	12.00%	11.00%	9.00%
34	22.00%	18.00%	14.00%	11.00%	10.00%	8.00%
35	22.00%	17.00%	14.00%	11.00%	10.00%	8.00%
36	21.00%	16.00%	13.00%	10.00%	9.00%	7.00%
37	20.00%	15.00%	12.00%	9.00%	8.00%	7.00%
38	20.00%	15.00%	12.00%	9.00%	8.00%	7.00%
39	19.00%	14.00%	11.00%	8.00%	7.00%	6.00%
40	19.00%	14.00%	11.00%	8.00%	7.00%	6.00%
41	18.00%	13.00%	10.00%	7.00%	6.00%	5.00%
42	18.00%	12.00%	10.00%	7.00%	6.00%	5.00%
43	18.00%	12.00%	10.00%	7.00%	6.00%	5.00%
44	17.00%	11.00%	9.00%	7.00%	6.00%	4.00%



Schedule SB Attachment (Form 5500)—2013 Plan Year  
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Withdrawal Rates

Age	Years of Service					
	0	1	2	3	4	5+
45	17.00%	11.00%	9.00%	6.00%	5.00%	4.00%
46	16.00%	10.00%	8.00%	6.00%	5.00%	3.00%
47	15.00%	10.00%	8.00%	6.00%	5.00%	3.00%
48	15.00%	10.00%	8.00%	6.00%	5.00%	3.00%
49	14.00%	9.00%	8.00%	6.00%	5.00%	3.00%
50	14.00%	9.00%	7.00%	5.00%	4.00%	2.00%
51	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
52	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
53	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
54	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
55	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
56	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
57	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
58	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
59	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
60	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
61	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
62	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
63	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
64	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
65	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
66	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
67	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
68	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
69	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
70	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
71	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
72	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
73	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
74+	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%

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Table 3

Disability Rates					
Age	Male	Female	Age	Male	Female
15	0.10%	0.06%	45	0.28%	0.36%
16	0.10%	0.06%	46	0.29%	0.39%
17	0.10%	0.06%	47	0.30%	0.42%
18	0.10%	0.06%	48	0.32%	0.46%
19	0.10%	0.06%	49	0.34%	0.50%
20	0.10%	0.06%	50	0.36%	0.53%
21	0.10%	0.06%	51	0.37%	0.56%
22	0.10%	0.06%	52	0.39%	0.60%
23	0.10%	0.07%	53	0.41%	0.64%
24	0.10%	0.07%	54	0.44%	0.69%
25	0.10%	0.08%	55	0.47%	0.75%
26	0.10%	0.08%	56	0.50%	0.80%
27	0.11%	0.09%	57	0.54%	0.86%
28	0.11%	0.09%	58	0.54%	0.86%
29	0.12%	0.10%	59	0.54%	0.86%
30	0.12%	0.10%	60	0.54%	0.86%
31	0.13%	0.11%	61	0.54%	0.86%
32	0.14%	0.11%	62	0.54%	0.86%
33	0.15%	0.13%	63	0.54%	0.86%
34	0.16%	0.14%	64	0.54%	0.86%
35	0.17%	0.16%	65	0.54%	0.86%
36	0.18%	0.17%	66	0.54%	0.86%
37	0.19%	0.19%	67	0.54%	0.86%
38	0.20%	0.21%	68	0.54%	0.86%
39	0.21%	0.23%	69	0.54%	0.86%
40	0.22%	0.25%	70	0.54%	0.86%
41	0.23%	0.27%	71	0.54%	0.86%
42	0.24%	0.29%	72	0.54%	0.86%
43	0.25%	0.31%	73	0.54%	0.86%
44	0.26%	0.33%	74+	0.54%	0.86%

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Schedule SB, Part V—Summary of Plan Provisions

Effective Date	October 1, 2007. Last amended effective October 4, 2013.
Eligibility	<p>All of the following:</p> <ul style="list-style-type: none"><li>▪ Employed or on an approved leave of absence with the University of California on September 30, 2007;</li><li>▪ Former participant (or eligible to become a participant) in the UCRP; and</li><li>▪ Elected to accept employment with LLNS under Total Compensation Package 1 ("TCP1") as of October 1, 2007 (or later date if on an approved leave of absence).</li></ul>
Normal Retirement Eligibility	Age 60 and completion of five year period of service.
Basic Retirement Income	<p>Monthly annuity is the product of:</p> <ol style="list-style-type: none"><li>a. 2.5%;</li><li>b. Highest average plan compensation less \$133; and</li><li>c. Years of credited service.</li></ol> <p>The product of (a) and (c) is limited to 100%.</p>
Social Security Supplement	<p>Monthly annuity payable until age 65 is the product of:</p> <ol style="list-style-type: none"><li>a. 2.5%;</li><li>b. \$133; and</li><li>c. Years of credited service.</li></ol> <p>The product of (a) and (c) is limited to 100%.</p>
Adjustment for Members With Non Coordinated Benefits September 30, 2007	<p>For members entitled to Social Security benefits:</p> <ul style="list-style-type: none"><li>▪ In calculation of basic retirement income, offset \$133 only for credited service earned after October 1, 2007.</li><li>▪ Calculation of Social Security supplement based on credited service earned after October 1, 2007.</li></ul>

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For members not entitled to Social Security benefits:

- Basic retirement income will be calculated without the \$133 offset.
- Neither the member nor the member's spouse shall be eligible for the Social Security supplement.

Early Retirement  
Eligibility

Age 50 and completion of five-year period of service.

Basic Retirement Income and  
Social Security Supplement

Normal retirement benefits and Social Security supplements are reduced according to the following table:

Age at Retirement	Percentage of Age 60 Benefit
50	44.0%
51	49.6%
52	55.2%
53	60.8%
54	66.4%
55	72.0%
56	77.6%
57	83.2%
58	88.8%
59	94.4%
60	100.0%

Vested Termination  
Eligibility

Completion of five-year period of service.

Benefit

Early retirement benefit commencing at early retirement date.

Late (or Deferred) Retirement  
Eligibility

Any time after eligibility for normal retirement.

Benefit

Normal retirement benefit actuarially increased for those months in which the member was credited for less than 40 hours of service and for those months after April 1 of the calendar year following the year the member turns age 70½ regardless of the hours of service.

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Disability Eligibility	Completion of five-year period of service and eligible for and receives disability income under the employer's Defined Benefit Eligible Disability Program.
Benefit	<p>Early or normal retirement benefit. Credited service continues to accrue until earlier of the date the member ceases to be disabled, retires, or attains normal retirement date.</p> <p>Maximum basic retirement income is greater of:</p> <ul style="list-style-type: none"><li>▪ Basic retirement income under vested termination; or</li><li>▪ 40% of final complete month of full-time equivalent compensation. The 40% factor is increased to 60% for members with non-coordinated benefits under the UCRP.</li></ul>
Preretirement Death Benefit Eligibility	Active with period of service of two years or inactive vested (including disabled members) with a spouse on date of death.
Benefit Not Retirement Eligible	Amount that would be paid if participant had terminated on the earlier of date of termination or date of death, survived until the spouse's date of retirement, elected a 50% joint and contingent annuity naming the spouse as the contingent annuitant, and then died. The spouse's date of retirement may not be earlier than the date the member would have attained 50 nor later than the member's normal retirement date.
Retirement Eligible	Same as above, except that member is assumed to have elected a 100% joint and contingent annuity.
Basic Death Benefit Eligibility	Active with two years of service or inactive vested (including disabled members).
Benefit	\$7,500. However, active members who were participants in the UCRP prior to October 1, 1990 receive the greater of \$7,500 or \$1,500 plus one month of full-time equivalent compensation.

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Normal Form of Payment	
Married Participants	50% joint and contingent annuity.
Unmarried Participants	Single life annuity.
Optional Forms of Payment of the Basic Retirement Income	100% joint and contingent, 75% joint and contingent, 66⅔% joint and contingent, 50% joint and contingent, and single life annuity.
Calculation of Joint and Contingent Form	Actuarial equivalent of the single life annuity increased by 2.4%. For members with non-coordinated benefits on September 30, 2007, the 2.4% factor is replaced by 4.8%, except that if such members are eligible for Social Security benefits, the factor shall be 4.8% for credited service earned prior to October 1, 2007 and 2.4% for credited service earned after October 1, 2007.
Employee Contributions	Beginning June 3, 2012, a participant must contribute 5% of earnings.  Beginning June 30, 2013, a participant must contribute 7% of earnings.
Benefits Not Valued	None.
Definitions	
Highest Average Plan Compensation (HAPC)	Monthly amount that is the highest average full-time equivalent compensation during 36 continuous months.  For inactive members, HAPC is adjusted each July 1 for movement in the CPI but not more than 2.0%. However, if movement in the CPI exceeds 4.0%, then HAPC is adjusted by 2.0% plus 75% of the amount that CPI movement exceeds 4.0%. The maximum adjustment is 6%. No adjustment to HAPC is provided after a member's normal retirement date.
Full-Time Equivalent Compensation	100% of plan compensation (base salary excluding overtime or bonus pay) which a member would earn from the employer for that calendar month.

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Credited Service	One year for each plan year in which member earns 2,080 hours or more and prorated for plan years in which member earns less than 2080 hours. For members who retire within 120 days of termination of service, proportional credited service will be granted for accumulated sick leave based on a 2,080-hour year.  Includes credited service earned under the UCRP.
Period of Service	Years and complete months from employment commencement to date of termination.
Actuarial Equivalent Mortality	1994 GAR Mortality Table for males (set back three years for members and set back five years for beneficiaries).
Interest	7.5%
COLA	2% per year.

#### Plan Changes Since the Prior Year

The funding valuation reflects the following plan changes:

- Effective on earnings as of June 30, 2013, mandatory employee contributions have increased from 5% to 7% of earnings.
- An increase in the annual pay limit under IRC section 401(a)(17) from \$250,000 in 2012 to \$255,000 in 2013.
- An increase in the annual maximum benefit under IRC section 415 from \$200,000 in 2012 to \$205,000 in 2013.

#### Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2013

Attained Age	Number of Participants and Average Compensation									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29			8							
30-34		4	81 \$93,212	27 \$87,909	1					
35-39		4	89 \$99,048	114 \$103,672	10					
40-44		6	87 \$105,662	190 \$112,137	51 \$126,821	10	2			
45-49		1	107 \$109,080	246 \$109,189	142 \$124,698	102 \$133,052	37 \$111,578	1		
50-54		4	92 \$112,265	197 \$111,329	117 \$130,027	200 \$134,340	168 \$145,318	52 \$127,443	1	
55-59		3	75 \$101,734	138 \$114,557	83 \$117,788	98 \$131,197	149 \$146,148	119 \$135,774	36 \$133,273	
60-64			35 \$115,486	60 \$109,771	34 \$123,316	38 \$120,155	30 \$130,491	22 \$144,126	3	1
65-69		1	12	16	7	1	4	1	1	
70+	2	3	3	7			1			

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Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2013

<b>Date</b>	<b>Amount</b>	<b>Days to Discount to 1/1/2013 at 6.46%</b>	<b>Interest Adjusted Contribution</b>
April 15, 2014	<u>\$ 20,000,000</u>	469	<u>\$ 18,454,286</u>
Total Contribution	\$ 20,000,000		\$ 18,454,286

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Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

(a)	(b)	(c)	(d)
Age	Rate	Weight	Product (a) × (b) × (c)
50.5	4.00%	1.0000	2.02
51.5	4.00%	0.9600	1.98
52.5	4.00%	0.9216	1.94
53.5	4.00%	0.8847	1.89
54.5	5.00%	0.8493	2.31
55.5	5.00%	0.8069	2.24
56.5	6.00%	0.7665	2.60
57.5	6.00%	0.7205	2.49
58.5	8.00%	0.6773	3.17
59.5	14.00%	0.6231	5.19
60.5	20.00%	0.5359	6.48
61.5	20.00%	0.4287	5.27
62.5	20.00%	0.3430	4.29
63.5	20.00%	0.2744	3.48
64.5	25.00%	0.2195	3.54
65.5	30.00%	0.1646	3.23
66.5	25.00%	0.1152	1.92
67.5	25.00%	0.0864	1.46
68.5	25.00%	0.0648	1.11
69.5	25.00%	0.0486	0.84
70.5	20.00%	0.0365	0.51
71.5	20.00%	0.0292	0.42
72.5	20.00%	0.0233	0.34
73.5	20.00%	0.0187	0.27
74.5	20.00%	0.0149	0.22
75	100.00%	0.0119	0.90
Weighted Average			60.11

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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2013

Attained Age	Number of Participants and Average Compensation									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29			8							
30-34		4	81 \$93,212	27 \$87,909	1					
35-39		4	89 \$99,048	114 \$103,672	10					
40-44		6	87 \$105,662	190 \$112,137	51 \$126,821	10	2			
45-49		1	107 \$109,080	246 \$109,189	142 \$124,698	102 \$133,052	37 \$111,578	1		
50-54		4	92 \$112,265	197 \$111,329	117 \$130,027	200 \$134,340	168 \$145,318	52 \$127,443	1	
55-59		3	75 \$101,734	138 \$114,557	83 \$117,788	98 \$131,197	149 \$146,148	119 \$135,774	36 \$133,273	
60-64			35 \$115,486	60 \$109,771	34 \$123,316	38 \$120,155	30 \$130,491	22 \$144,126	3	1
65-69		1	12	16	7	1	4	1	1	
70+	2	3	3	7			1			

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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with no lookback (as of January 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21.
1st Segment Rate	4.94%
2nd Segment Rate	6.15%
3rd Segment Rate	6.76%
Interest Rates for Maximum Tax Purposes	Based on segment rates with no lookback (as of January 2013), without regard to the MAP-21 interest rate corridor.
1st Segment Rate	1.62%
2nd Segment Rate	4.40%
3rd Segment Rate	5.45%
Salary Increases	
Minimum Funding Target Normal Cost	3.75%
Maximum Tax Expected Benefit Increase	3.75%
Optional Payment Form Election Percentage	Single participants: single life annuity. Married participants: joint and 50% survivor annuity.
Retirement Age	
Active Participants	See Table 1.
Terminated Vested Participants	Age 59.
Mortality Rates	
Healthy and Disabled	2013 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e).
Withdrawal Rates	See Table 2.
Disability Rates	See Table 3.
Decrement Timing	Middle of year decrements, with 100% retirement occurring at beginning of year.
Surviving Spouse Benefit	It is assumed that 85% of males and 65% of females have an eligible spouse, and that males are three years older than their spouses.
Valuation Compensation	2012 pensionable earnings rolled forward one year. with the salary increase assumption.

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Benefit and Compensation Limits

Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of \$205,000 and the IRC section 401(a)(17) compensation limit of \$255,000.

Valuation of Plan Assets

Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.

A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).

Expected Return on Assets

2011 Plan Year

8.00%, limited to 6.46%.

2012 Plan Year

7.50%

Trust Expenses Included in Target Normal Cost

The expense load was based on the prior year's actual plan administrative expenses, minus the previous year's PBGC premium, plus the current year's estimated PBGC premium rounded to the nearest \$100,000 (\$1,400,000 for 2013).

Actuarial Method

Standard unit credit cost method.

Valuation Date

January 1, 2013.

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Table 1

**Retirement Rates**

<b>Age</b>	<b>Rate</b>
50	4.00%
51	4.00%
52	4.00%
53	4.00%
54	5.00%
55	5.00%
56	6.00%
57	6.00%
58	8.00%
59	14.00%
60	20.00%
61	20.00%
62	20.00%
63	20.00%
64	25.00%
65	30.00%
66	25.00%
67	25.00%
68	25.00%
69	25.00%
70	20.00%
71	20.00%
72	20.00%
73	20.00%
74	20.00%
75+	100.00%

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**Withdrawal Rates**

Age	Years of Service					
	0	1	2	3	4	5+
15	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
16	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
17	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
18	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
19	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
20	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
21	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
22	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
23	27.00%	24.00%	21.00%	16.00%	15.00%	13.00%
24	26.00%	23.00%	20.00%	16.00%	15.00%	12.00%
25	26.00%	23.00%	20.00%	15.00%	14.00%	12.00%
26	25.00%	22.00%	19.00%	15.00%	14.00%	11.00%
27	25.00%	22.00%	18.00%	15.00%	14.00%	11.00%
28	25.00%	22.00%	18.00%	15.00%	14.00%	11.00%
29	24.00%	21.00%	17.00%	14.00%	13.00%	10.00%
30	24.00%	21.00%	17.00%	14.00%	13.00%	10.00%
31	23.00%	20.00%	16.00%	13.00%	12.00%	9.00%
32	23.00%	19.00%	15.00%	12.00%	11.00%	9.00%
33	23.00%	19.00%	15.00%	12.00%	11.00%	9.00%
34	22.00%	18.00%	14.00%	11.00%	10.00%	8.00%
35	22.00%	17.00%	14.00%	11.00%	10.00%	8.00%
36	21.00%	16.00%	13.00%	10.00%	9.00%	7.00%
37	20.00%	15.00%	12.00%	9.00%	8.00%	7.00%
38	20.00%	15.00%	12.00%	9.00%	8.00%	7.00%
39	19.00%	14.00%	11.00%	8.00%	7.00%	6.00%
40	19.00%	14.00%	11.00%	8.00%	7.00%	6.00%
41	18.00%	13.00%	10.00%	7.00%	6.00%	5.00%
42	18.00%	12.00%	10.00%	7.00%	6.00%	5.00%
43	18.00%	12.00%	10.00%	7.00%	6.00%	5.00%
44	17.00%	11.00%	9.00%	7.00%	6.00%	4.00%

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**Withdrawal Rates**

Age	Years of Service					
	0	1	2	3	4	5+
45	17.00%	11.00%	9.00%	6.00%	5.00%	4.00%
46	16.00%	10.00%	8.00%	6.00%	5.00%	3.00%
47	15.00%	10.00%	8.00%	6.00%	5.00%	3.00%
48	15.00%	10.00%	8.00%	6.00%	5.00%	3.00%
49	14.00%	9.00%	8.00%	6.00%	5.00%	3.00%
50	14.00%	9.00%	7.00%	5.00%	4.00%	2.00%
51	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
52	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
53	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
54	13.00%	8.00%	7.00%	5.00%	4.00%	2.00%
55	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
56	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
57	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
58	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
59	12.00%	7.00%	6.00%	4.00%	3.00%	2.00%
60	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
61	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
62	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
63	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
64	11.00%	6.00%	5.00%	3.00%	2.00%	1.00%
65	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
66	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
67	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
68	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
69	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
70	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
71	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
72	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
73	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%
74+	10.00%	5.00%	4.00%	2.00%	1.00%	1.00%



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Table 3

**Disability Rates**

<b>Age</b>	<b>Male</b>	<b>Female</b>	<b>Age</b>	<b>Male</b>	<b>Female</b>
15	0.10%	0.06%	45	0.28%	0.36%
16	0.10%	0.06%	46	0.29%	0.39%
17	0.10%	0.06%	47	0.30%	0.42%
18	0.10%	0.06%	48	0.32%	0.46%
19	0.10%	0.06%	49	0.34%	0.50%
20	0.10%	0.06%	50	0.36%	0.53%
21	0.10%	0.06%	51	0.37%	0.56%
22	0.10%	0.06%	52	0.39%	0.60%
23	0.10%	0.07%	53	0.41%	0.64%
24	0.10%	0.07%	54	0.44%	0.69%
25	0.10%	0.08%	55	0.47%	0.75%
26	0.10%	0.08%	56	0.50%	0.80%
27	0.11%	0.09%	57	0.54%	0.86%
28	0.11%	0.09%	58	0.54%	0.86%
29	0.12%	0.10%	59	0.54%	0.86%
30	0.12%	0.10%	60	0.54%	0.86%
31	0.13%	0.11%	61	0.54%	0.86%
32	0.14%	0.11%	62	0.54%	0.86%
33	0.15%	0.13%	63	0.54%	0.86%
34	0.16%	0.14%	64	0.54%	0.86%
35	0.17%	0.16%	65	0.54%	0.86%
36	0.18%	0.17%	66	0.54%	0.86%
37	0.19%	0.19%	67	0.54%	0.86%
38	0.20%	0.21%	68	0.54%	0.86%
39	0.21%	0.23%	69	0.54%	0.86%
40	0.22%	0.25%	70	0.54%	0.86%
41	0.23%	0.27%	71	0.54%	0.86%
42	0.24%	0.29%	72	0.54%	0.86%
43	0.25%	0.31%	73	0.54%	0.86%
44	0.26%	0.33%	74+	0.54%	0.86%

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Schedule SB, Part V—Summary of Plan Provisions

Effective Date	October 1, 2007. Last amended effective October 4, 2013.
Eligibility	<p>All of the following:</p> <ul style="list-style-type: none"><li>▪ Employed or on an approved leave of absence with the University of California on September 30, 2007;</li><li>▪ Former participant (or eligible to become a participant) in the UCRP; and</li><li>▪ Elected to accept employment with LLNS under Total Compensation Package 1 ("TCP1") as of October 1, 2007 (or later date if on an approved leave of absence).</li></ul>
Normal Retirement Eligibility	Age 60 and completion of five year period of service.
Basic Retirement Income	<p>Monthly annuity is the product of:</p> <ol style="list-style-type: none"><li>a. 2.5%;</li><li>b. Highest average plan compensation less \$133; and</li><li>c. Years of credited service.</li></ol> <p>The product of (a) and (c) is limited to 100%.</p>
Social Security Supplement	<p>Monthly annuity payable until age 65 is the product of:</p> <ol style="list-style-type: none"><li>a. 2.5%;</li><li>b. \$133; and</li><li>c. Years of credited service.</li></ol> <p>The product of (a) and (c) is limited to 100%.</p>
Adjustment for Members With Non Coordinated Benefits September 30, 2007	<p>For members entitled to Social Security benefits:</p> <ul style="list-style-type: none"><li>▪ In calculation of basic retirement income, offset \$133 only for credited service earned after October 1, 2007.</li><li>▪ Calculation of Social Security supplement based on credited service earned after October 1, 2007.</li></ul>

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For members not entitled to Social Security benefits:

- Basic retirement income will be calculated without the \$133 offset.
- Neither the member nor the member's spouse shall be eligible for the Social Security supplement.

Early Retirement  
Eligibility

Age 50 and completion of five-year period of service.

Basic Retirement Income and  
Social Security Supplement

Normal retirement benefits and Social Security supplements are reduced according to the following table:

Age at Retirement	Percentage of Age 60 Benefit
50	44.0%
51	49.6%
52	55.2%
53	60.8%
54	66.4%
55	72.0%
56	77.6%
57	83.2%
58	88.8%
59	94.4%
60	100.0%

Vested Termination  
Eligibility

Completion of five-year period of service.

Benefit

Early retirement benefit commencing at early retirement date.

Late (or Deferred) Retirement  
Eligibility

Any time after eligibility for normal retirement.

Benefit

Normal retirement benefit actuarially increased for those months in which the member was credited for less than 40 hours of service and for those months after April 1 of the calendar year following the year the member turns age 70½ regardless of the hours of service.

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Disability Eligibility	Completion of five-year period of service and eligible for and receives disability income under the employer's Defined Benefit Eligible Disability Program.
Benefit	<p>Early or normal retirement benefit. Credited service continues to accrue until earlier of the date the member ceases to be disabled, retires, or attains normal retirement date.</p> <p>Maximum basic retirement income is greater of:</p> <ul style="list-style-type: none"><li>▪ Basic retirement income under vested termination; or</li><li>▪ 40% of final complete month of full-time equivalent compensation. The 40% factor is increased to 60% for members with non-coordinated benefits under the UCRP.</li></ul>
Preretirement Death Benefit Eligibility	Active with period of service of two years or inactive vested (including disabled members) with a spouse on date of death.
Benefit Not Retirement Eligible	Amount that would be paid if participant had terminated on the earlier of date of termination or date of death, survived until the spouse's date of retirement, elected a 50% joint and contingent annuity naming the spouse as the contingent annuitant, and then died. The spouse's date of retirement may not be earlier than the date the member would have attained 50 nor later than the member's normal retirement date.
Retirement Eligible	Same as above, except that member is assumed to have elected a 100% joint and contingent annuity.
Basic Death Benefit Eligibility	Active with two years of service or inactive vested (including disabled members).
Benefit	\$7,500. However, active members who were participants in the UCRP prior to October 1, 1990 receive the greater of \$7,500 or \$1,500 plus one month of full-time equivalent compensation.

Schedule SB Attachment (Form 5500)—2013 Plan Year  
LLNS Defined Benefit Pension Plan  
EIN: 20-5624386 PN: 003

Normal Form of Payment	
Married Participants	50% joint and contingent annuity.
Unmarried Participants	Single life annuity.
Optional Forms of Payment of the Basic Retirement Income	100% joint and contingent, 75% joint and contingent, 66⅔% joint and contingent, 50% joint and contingent, and single life annuity.
Calculation of Joint and Contingent Form	Actuarial equivalent of the single life annuity increased by 2.4%. For members with non-coordinated benefits on September 30, 2007, the 2.4% factor is replaced by 4.8%, except that if such members are eligible for Social Security benefits, the factor shall be 4.8% for credited service earned prior to October 1, 2007 and 2.4% for credited service earned after October 1, 2007.
Employee Contributions	Beginning June 3, 2012, a participant must contribute 5% of earnings.  Beginning June 30, 2013, a participant must contribute 7% of earnings.
Benefits Not Valued	None.
Definitions	
Highest Average Plan Compensation (HAPC)	Monthly amount that is the highest average full-time equivalent compensation during 36 continuous months.  For inactive members, HAPC is adjusted each July 1 for movement in the CPI but not more than 2.0%. However, if movement in the CPI exceeds 4.0%, then HAPC is adjusted by 2.0% plus 75% of the amount that CPI movement exceeds 4.0%. The maximum adjustment is 6%. No adjustment to HAPC is provided after a member's normal retirement date.
Full-Time Equivalent Compensation	100% of plan compensation (base salary excluding overtime or bonus pay) which a member would earn from the employer for that calendar month.

Schedule SB Attachment (Form 5500)—2013 Plan Year  
LLNS Defined Benefit Pension Plan  
EIN: 20-5624386 PN: 003

Credited Service	One year for each plan year in which member earns 2,080 hours or more and prorated for plan years in which member earns less than 2080 hours. For members who retire within 120 days of termination of service, proportional credited service will be granted for accumulated sick leave based on a 2,080-hour year.  Includes credited service earned under the UCRP.
Period of Service	Years and complete months from employment commencement to date of termination.
Actuarial Equivalent Mortality	1994 GAR Mortality Table for males (set back three years for members and set back five years for beneficiaries).
Interest	7.5%
COLA	2% per year.

#### Plan Changes Since the Prior Year

The funding valuation reflects the following plan changes:

- Effective on earnings as of June 30, 2013, mandatory employee contributions have increased from 5% to 7% of earnings.
- An increase in the annual pay limit under IRC section 401(a)(17) from \$250,000 in 2012 to \$255,000 in 2013.
- An increase in the annual maximum benefit under IRC section 415 from \$200,000 in 2012 to \$205,000 in 2013.

#### Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)



**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

<b>SCHEDULE H</b> <b>(Form 5500)</b> <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b> <p>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).</p> <p>► <b>File as an attachment to Form 5500.</b></p>	<small>OMB No. 1210-0110</small>  <b>2013</b>  <b>This Form is Open to Public Inspection</b>		
For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>				
<b>A</b> Name of plan  LLNS Defined Benefit Pension Plan		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"><b>B</b> Three-digit plan number (PN) ►</td> <td style="width: 20%; text-align: center;">003</td> </tr> </table>	<b>B</b> Three-digit plan number (PN) ►	003
<b>B</b> Three-digit plan number (PN) ►	003			
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500  Lawrence Livermore National Security, LLC		<b>D</b> Employer Identification Number (EIN)  20-5624386		

Part I	Asset and Liability Statement		
<b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>		
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions.....	<b>1b(1)</b>	40,000,000	20,000,000
<b>(2)</b> Participant contributions.....	<b>1b(2)</b>	749,845	1,074,446
<b>(3)</b> Other.....	<b>1b(3)</b>	52,888	5,871
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit).....	<b>1c(1)</b>		
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other.....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common.....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>		
<b>(6)</b> Real estate (other than employer real property).....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans.....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities.....	<b>1c(12)</b>	2,134,947,514	2,403,106,347
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....	<b>1c(13)</b>		
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts).....	<b>1c(14)</b>		
<b>(15)</b> Other.....	<b>1c(15)</b>		

<b>1d</b> Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	<b>1d(1)</b>		
(2) Employer real property.....	<b>1d(2)</b>		
<b>e</b> Buildings and other property used in plan operation.....	<b>1e</b>		
<b>f</b> Total assets (add all amounts in lines 1a through 1e).....	<b>1f</b>	2,175,750,247	2,424,186,664
<b>Liabilities</b>			
<b>g</b> Benefit claims payable.....	<b>1g</b>		
<b>h</b> Operating payables.....	<b>1h</b>	1,823,144	1,965,558
<b>i</b> Acquisition indebtedness.....	<b>1i</b>		
<b>j</b> Other liabilities.....	<b>1j</b>		
<b>k</b> Total liabilities (add all amounts in lines 1g through 1j).....	<b>1k</b>	1,823,144	1,965,558
<b>Net Assets</b>			
<b>l</b> Net assets (subtract line 1k from line 1f).....	<b>1l</b>	2,173,927,103	2,422,221,106

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: <b>(A)</b> Employers.....	<b>2a(1)(A)</b>	20,000,000	
<b>(B)</b> Participants.....	<b>2a(1)(B)</b>	20,719,783	
<b>(C)</b> Others (including rollovers).....	<b>2a(1)(C)</b>		
(2) Noncash contributions.....	<b>2a(2)</b>		
(3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> .....	<b>2a(3)</b>		40,719,783
<b>b Earnings on investments:</b>			
<b>(1) Interest:</b>			
<b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit).....	<b>2b(1)(A)</b>		
<b>(B)</b> U.S. Government securities.....	<b>2b(1)(B)</b>		
<b>(C)</b> Corporate debt instruments.....	<b>2b(1)(C)</b>		
<b>(D)</b> Loans (other than to participants).....	<b>2b(1)(D)</b>		
<b>(E)</b> Participant loans.....	<b>2b(1)(E)</b>		
<b>(F)</b> Other.....	<b>2b(1)(F)</b>		
<b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....	<b>2b(1)(G)</b>		0
<b>(2) Dividends: (A) Preferred stock.....</b>		<b>2b(2)(A)</b>	
<b>(B)</b> Common stock.....	<b>2b(2)(B)</b>		
<b>(C)</b> Registered investment company shares (e.g. mutual funds).....	<b>2b(2)(C)</b>		
<b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....	<b>2b(2)(D)</b>		0
(3) Rents.....	<b>2b(3)</b>		
<b>(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds.....</b>		<b>2b(4)(A)</b>	
<b>(B)</b> Aggregate carrying amount (see instructions).....	<b>2b(4)(B)</b>		
<b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result.....	<b>2b(4)(C)</b>		0
<b>(5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....</b>		<b>2b(5)(A)</b>	
<b>(B)</b> Other.....	<b>2b(5)(B)</b>		
<b>(C)</b> Total unrealized appreciation of assets. Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....	<b>2b(5)(C)</b>		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts.....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts.....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities.....	<b>2b(9)</b>		228,602,898
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	<b>2b(10)</b>		
<b>c</b> Other income.....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....	<b>2d</b>		269,322,681

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	<b>2e(1)</b>	21,028,678	
(2) To insurance carriers for the provision of benefits.....	<b>2e(2)</b>		
(3) Other.....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		21,028,678
<b>f</b> Corrective distributions (see instructions).....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions).....	<b>2g</b>		
<b>h</b> Interest expense.....	<b>2h</b>		
<b>i</b> Administrative expenses: (1) Professional fees.....	<b>2i(1)</b>		
(2) Contract administrator fees.....	<b>2i(2)</b>		
(3) Investment advisory and management fees.....	<b>2i(3)</b>		
(4) Other.....	<b>2i(4)</b>		
(5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....	<b>2i(5)</b>		0
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total.....	<b>2j</b>		21,028,678

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		248,294,003
<b>l</b> Transfers of assets:			
(1) To this plan.....	<b>2l(1)</b>		
(2) From this plan.....	<b>2l(2)</b>		

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: Moss Adams

(2) EIN: 91-0189318

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

**4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

**a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

**b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
<b>4a</b>		X	
<b>4b</b>		X	

		Yes	No	Amount
<b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....	<b>4c</b>		X	
<b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.) .....	<b>4d</b>		X	
<b>e</b> Was this plan covered by a fidelity bond? .....	<b>4e</b>	X		500,000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....	<b>4f</b>		X	
<b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....	<b>4g</b>		X	
<b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....	<b>4h</b>		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.) .....	<b>4i</b>		X	
<b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.) .....	<b>4j</b>		X	
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....	<b>4k</b>		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....	<b>4l</b>		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.) .....	<b>4m</b>			
<b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....	<b>4n</b>			

**5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. .... ☐ Yes ☒ No Amount:

**5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

**5c** If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? .... ☒ Yes ☐ No ☐ Not determined

## Part V Trust Information (optional)

<b>6a</b> Name of trust	<b>6b</b> Trust's EIN

## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator of the  
LLNS Defined Benefit Pension Plan

### **Report on Financial Statements**

We were engaged to audit the accompanying financial statements of the LLNS Defined Benefit Pension Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the 2013 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis of Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2013 financial statements.

### ***Basis for Disclaimer of Opinion on the 2013 Financial Statements***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by The Bank of New York Mellon (Mellon) and State Street Bank and Trust Company (State Street), the trustees of the Plan, except for comparing such information with the related information included in the 2013 financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from Mellon as of December 31, 2013, and for the period May 1, 2013 through December 31, 2013, and from State Street for the period January 1, 2013 through April 30, 2013, that the information provided to the plan administrator by the trustees is complete and accurate.

***Disclaimer of Opinion on the 2013 Financial Statements***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the 2013 financial statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2013 financial statements. Accordingly, we do not express an opinion on the 2013 financial statements.

***Other Matter – Reporting on 2012 Financial Statements***


We have audited the accompanying financial statements of the Plan, which comprise the statement of net assets available for benefits as of December 31, 2012, and the statement changes in net assets available for benefits for the year ended December 31, 2012, and in our report dated October 10, 2013, we expressed our opinion that such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012, and the changes in net assets available for benefits for the year ended December 31, 2012, in accordance with accounting principles generally accepted in the United States of America.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the 2013 financial statements, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Moss Adams LLP*

Campbell, California  
October 13, 2014



Report of Independent Auditors and  
Financial Statements

**LLNS Defined Benefit  
Pension Plan**

December 31, 2013 and 2012

**MOSS ADAMS<sub>LLP</sub>**

Certified Public Accountants | Business Consultants

*Acumen. Agility. Answers.*



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## REPORT OF INDEPENDENT AUDITORS

To the Plan Administrator of the  
LLNS Defined Benefit Pension Plan

### **Report on Financial Statements**

We were engaged to audit the accompanying financial statements of the LLNS Defined Benefit Pension Plan (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2013, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the 2013 financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis of Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2013 financial statements.

### ***Basis for Disclaimer of Opinion on the 2013 Financial Statements***

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL's) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 7, which was certified by The Bank of New York Mellon (Mellon) and State Street Bank and Trust Company (State Street), the trustees of the Plan, except for comparing such information with the related information included in the 2013 financial statements. We have been informed by the plan administrator that the trustees hold the Plan's investment assets and execute investment transactions. The plan administrator has obtained a certification from Mellon as of December 31, 2013, and for the period May 1, 2013 through December 31, 2013, and from State Street for the period January 1, 2013 through April 30, 2013, that the information provided to the plan administrator by the trustees is complete and accurate.

***Disclaimer of Opinion on the 2013 Financial Statements***

Because of the significance of the matter described in the Basis for Disclaimer of Opinion on the 2013 financial statements paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the 2013 financial statements. Accordingly, we do not express an opinion on the 2013 financial statements.

***Other Matter – Reporting on 2012 Financial Statements***

We have audited the accompanying financial statements of the Plan, which comprise the statement of net assets available for benefits as of December 31, 2012, and the statement changes in net assets available for benefits for the year ended December 31, 2012, and in our report dated October 10, 2013, we expressed our opinion that such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012, and the changes in net assets available for benefits for the year ended December 31, 2012, in accordance with accounting principles generally accepted in the United States of America.

**Report on Form and Content in Compliance with DOL Rules and Regulations**

The form and content of the information included in the 2013 financial statements, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

*Moss Adams LLP*

Campbell, California  
October 13, 2014

## **FINANCIAL STATEMENTS**

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## LLNS Defined Benefit Pension Plan

Comparative Statements of Net Assets Available for Benefits  
December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>Investments - Fair Value</b>		
Participation in LLNS/LANS Group Trust	\$ 2,403,106,347	\$ 2,134,947,514
<b>Receivables</b>		
Miscellaneous	5,871	52,888
Employer's contributions receivable	20,000,000	40,000,000
Participants' contribution receivable	1,074,446	749,845
<b>Total Receivables</b>	<u>21,080,317</u>	<u>40,802,733</u>
<b>Total assets</b>	<u>2,424,186,664</u>	<u>2,175,750,247</u>
<b>LIABILITIES</b>		
Accrued expenses	1,965,558	1,823,144
<b>Total Liabilities</b>	<u>1,965,558</u>	<u>1,823,144</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$ 2,422,221,106</u>	<u>\$ 2,173,927,103</u>

See accompanying notes to financial statements.

## LLNS Defined Benefit Pension Plan

Comparative Statements of Changes in Net Assets Available for Benefits  
Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>ADDITIONS</b>		
<b>Investment income</b>		
Participation in LLNS/LANS Group Trust	\$ <u>237,868,209</u>	\$ <u>269,033,408</u>
<b>Contributions</b>		
Employer	20,000,000	40,000,000
Participants'	<u>20,719,783</u>	<u>10,326,639</u>
<b>Total contributions</b>	<u>40,719,783</u>	<u>50,326,639</u>
<b>Total additions</b>	<u>278,587,992</u>	<u>319,360,047</u>
 <b>DEDUCTIONS</b>		
Benefits paid to participants	21,028,678	12,090,650
Administrative expenses	<u>9,265,311</u>	<u>7,895,928</u>
<b>Total deductions</b>	<u>30,293,989</u>	<u>19,986,578</u>
 <b>Net increase in net assets</b>	<u>248,294,003</u>	<u>299,373,469</u>
 <b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
Beginning of year	2,173,927,103	1,874,553,634
End of year	\$ <u><u>2,422,221,106</u></u>	\$ <u><u>2,173,927,103</u></u>

See accompanying notes to financial statements.

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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**NOTE 1 – THE PLAN AND ITS SIGNIFICANT ACCOUNTING POLICIES**

**General** – The following description of the LLNS Defined Benefit Pension Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan is a defined benefit plan that was established on October 1, 2007 by Lawrence Livermore National Security, LLC (the Company) to provide benefits to eligible employees, as defined in the Plan document. The Plan is currently designed to be qualified under the applicable requirements of the Internal Revenue Code (the Code), as amended, and the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan is a closed plan and participants under the Plan include employees of the Company who on September 30, 2007, were employed by, or on an approved leave of absence from employment with the University of California, and were participating in the University of California Retirement Plan (UCRP) or in an employment classification eligible to become a participant in the Plan, and who did not elect retired or inactive vested status in the UCRP, and who made a Choice Election to accept employment with the Company on October 1, 2007 in accordance with the terms of Total Compensation Package 1 (TCP1), as described in Section H35(d)(1) of Contract Number DE-AC52-07NA27344 between the Company and the Department of Energy/National Nuclear Security Administration related to the operation of the Lawrence Livermore National Laboratory.

On August 1, 2008, the Lawrence Livermore National Security, LLC and Los Alamos National Security, LLC (LANS) Defined Benefit Pension Plan Group Trust (the Group Trust) was formed from the pension assets of the Plan and the LANS Defined Benefit Pension Plan. In the context of pension plans, a group trust is a separate trust which invests together some or all of the assets of "participating trusts." The Plan is one participating trust and the LANS Defined Benefit Pension Plan is the other participating trust. The assets are commingled for investment purposes only at the direction of the participating trusts, and are not commingled to pay Plan benefits. The Company and LANS will continue to sponsor separate qualified pension plans and maintain separate participating trusts. As of December 31, 2013 and 2012, the Plan's interest in the Group Trust was 44.49% and 45.42%, respectively.

The pooling of assets of tax exempt trusts does not affect the tax exempt status of the participating trusts or the qualified status of their related plans, according to Rev. Rul. 81-100. According to Rev. Rul. 81-100, each participating trust remains fully separate and independent from the other participating trust.

**Administration** – The Company has appointed a Benefits and Investment Committee (the Committee) to manage the operation and administration of the Plan. Effective May 1, 2013, the Company contracted with The Bank of New York Mellon, successor by operation of law to Mellon Bank, N.A. (Mellon), to act as the trustee for the Plan. Prior to May 1, 2013, the Company contracted with State Street Bank and Trust Company (State Street) to act as the trustee for the Plan. In addition, the Company has contracted with Aon Hewitt (formerly Hewitt Associates) to act as the Plan's actuary and third-party administrator. Substantially all expenses incurred for administering the Plan are paid out of the Plan, unless paid by the Company.

**Estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from those estimates.

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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**Basis of accounting** – The financial statements of the Plan are prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Participant contributions** – Effective May 12, 2012, the Plan was amended to include mandatory participant contributions beginning with the pay period starting June 3, 2012 equal to 5% of eligible compensation. The Plan was amended to increase mandatory participant contributions equal to 7% of eligible compensation beginning with the pay period starting June 30, 2013.

**Vesting** – The Plan provides that benefits vest to participants based on years of service as follows: less than five years of credited service, zero; five or more years of credited service, 100%.

**Pension benefits** – Benefits become payable to the participant after five years of credited service and:

- (a) electing early retirement upon attaining age 50, or
- (b) electing normal retirement upon attaining age 60, or
- (c) upon actual retirement if later than age 60.

For married participants who do not elect otherwise, benefits will be paid on the basis of a 50% joint and contingent annuity, as stipulated by ERISA, and will be the amount determined under the benefit formula stated in the Plan multiplied by the appropriate factor. If a participant is unmarried, benefits will be paid on the basis of a Single Life Annuity and will be for the amount determined under the Plan's benefit formula.

**Death and disability benefits** – There are no benefits payable during a period of disability prior to retirement under the Plan. The surviving spouse of a participant who has provided at least two years of credited service will be eligible to receive a survivor annuity and the designated beneficiary of such participant will receive a one-time single sum basic death benefit from the Plan.

**Investment valuation and income recognition** – The Plan's investments are held in the Group Trust by Mellon and State Street (through April 30, 2013) and are based solely on the instructions received from the Committee and are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 2 for discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan presents, in the statements of changes in net assets available for benefits, the net appreciation or depreciation in the fair value of its investments, which consist of the realized gains or losses and the unrealized appreciation or depreciation on those investments.

**Income taxes** – The Plan has been amended since receiving a favorable determination letter dated May 23, 2012. The plan administrator believes that the Plan is operated in accordance with, and qualifies under, the applicable requirements of the Code and related state statutes, and that the trust, which forms a part of the Plan, is exempt from federal income and state franchise taxes.

In accordance with guidance on accounting for uncertainty in income taxes (ASC 740-10), management evaluated the Plan's tax positions and does not believe the Plan has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to 2010.



**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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**Reclassifications** - Certain reclassifications were made in the 2012 financial statements to conform to the 2013 presentation.

**Risks and uncertainties** – The Plan invests its assets in the Group Trust. The Group Trust utilizes various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the comparative statements of net assets available for benefits and the comparative statements of changes in net assets available for benefits.

Plan contributions, if any, and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is reasonably possible that changes in these estimates and assumptions in the near term would be material to the comparative financial statements.

**NOTE 2 – FAIR VALUE MEASUREMENTS**

The fair value measurements standard establishes a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under the standard are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted market prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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Following is a description of the valuation methodologies used for assets held by the Group Trust measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Registered investment companies: Valued at the net asset value (NAV) of shares held by the Plan at year end.

Common/collective trusts: Valued using the market approach at the NAV established by the funds' sponsor on the last business day of the Plan year, based on the fair value of the underlying assets in the funds. There are no redemption restrictions on the Plan's investments in common/collective trusts.

Preferred corporate stocks, government securities, and government short term investment funds (interest-bearing cash and cash equivalents) listed on a national securities exchange and over-the-counter securities are valued at the last reported sale price on the valuation date or, if no sales are reported for that day, the last published sale price.

Corporate debt instruments are valued based on market values quoted by dealers who are market makers in these securities, by independent pricing services or by a methodology approved by State Street and Mellon.

Asset-backed securities – These are bonds or notes backed by financial assets. Institutional observable inputs are used with an income valuation technique provided by outside vendors.

Certificates of deposit, repurchase agreements and commercial paper are valued using a market approach and are carried at cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realized value or reflective of future fair values. Furthermore, while the Group Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

The following tables set forth by level, within the fair value hierarchy, the investments of the Group Trust at fair value as of December 31, 2013 and 2012:

	2013			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ 18,240,063	\$ 146,669	\$ -	\$ 18,386,732
Corporate stock - common				
Basic materials	248,055,060	-	-	248,055,060
Conglomerates	11,203,371	-	-	11,203,371
Consumer goods	450,848,360	-	-	450,848,360
Financial	453,326,801	-	-	453,326,801
Healthcare	253,254,567	-	-	253,254,567
Industrial goods	113,803,684	-	-	113,803,684
Services	339,581,811	-	-	339,581,811
Technology	429,973,216	-	-	429,973,216
Utilities	6,736,114	-	-	6,736,114
Total corporate stock - common	2,306,782,984	-	-	2,306,782,984
U.S. government securities:				
Agency	5,354,099	-	-	5,354,099
Bonds	551,996,944	-	-	551,996,944
Strips	-	11,697,584	-	11,697,584
Total U.S. government securities	557,351,043	11,697,584	-	569,048,627
Corporate debt instruments:				
Basic materials	-	204,459,370	-	204,459,370
Consumer goods	-	156,032,706	-	156,032,706
Financial	-	228,579,881	-	228,579,881
Healthcare	-	95,826,719	-	95,826,719
Industrial goods	-	43,427,008	-	43,427,008
Private investment fund	-	4,324,032	-	4,324,032
Services	-	74,297,250	-	74,297,250
Technology	-	136,070,810	-	136,070,810
Transportation	-	6,161,193	-	6,161,193
Utilities	-	147,159,943	-	147,159,943
Total corporate debt instruments	-	1,096,338,912	-	1,096,338,912
Other investments	(24,094,372)	155,959,001	-	131,864,629
Registered investment companies	179,818,424	-	-	179,818,424
Common/collective trusts	-	993,868,756	-	993,868,756
Security lending collateral				
Interest-bearing cash (security collateral)	222,565	-	-	222,565
Asset backed floating rate securities	-	54,712,862	-	54,712,862
Certificates of deposit	85,205,149	-	-	85,205,149
Commercial paper	-	55,173,075	-	55,173,075
Floating rate notes	-	424,120,265	-	424,120,265
Repurchase agreements	-	90,800,235	-	90,800,235
Other	-	73,099,954	-	73,099,954
Total security lending collateral	85,427,714	697,906,391	-	783,334,105
Total investments at fair value	\$ 3,123,525,856	\$ 2,955,917,313	\$ -	\$ 6,079,443,169

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

	2012			
	Level 1	Level 2	Level 3	Total
Interest-bearing cash	\$ -	\$ 135,724,036	\$ -	\$ 135,724,036
Corporate stock - common				
Basic materials	223,929,361	-	-	223,929,361
Conglomerates	15,046,779	-	-	15,046,779
Consumer goods	208,855,866	-	-	208,855,866
Financial	301,758,324	-	-	301,758,324
Healthcare	207,489,677	-	-	207,489,677
Industrial goods	117,779,218	-	-	117,779,218
Services	314,095,827	-	-	314,095,827
Technology	340,645,565	-	-	340,645,565
Utilities	10,816,204	-	-	10,816,204
Total corporate stock - common	1,740,416,821	-	-	1,740,416,821
U.S. government securities:				
Bonds	-	795,232,659	-	795,232,659
Strips	-	20,132,215	-	20,132,215
Total U.S. government securities	-	815,364,874	-	815,364,874
Corporate stock - preferred	679,300	-	-	679,300
Corporate debt instruments:				
Basic materials	-	164,830,738	-	164,830,738
Consumer goods	-	157,290,593	-	157,290,593
Financial	-	288,453,647	-	288,453,647
Healthcare	-	63,340,741	-	63,340,741
Industrial goods	-	11,157,175	-	11,157,175
Services	-	116,359,275	-	116,359,275
Technology	-	116,459,854	-	116,459,854
Utilities	-	73,244,973	-	73,244,973
Total corporate debt instruments	-	991,136,996	-	991,136,996
Other investments	-	140,929,001	-	140,929,001
Registered investment companies	174,226,240	-	-	174,226,240
Common/collective trusts	-	693,774,427	-	693,774,427
Security lending collateral	-	159,630,700	-	159,630,700
Total investments at fair value	\$ 1,915,322,361	\$ 2,936,560,034	\$ -	\$ 4,851,882,395

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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The following sets forth additional disclosures for the fair value measurement of significant investments in certain entities held in the Group Trust that calculate NAV per share (or its equivalent) as of December 31, 2013 and 2012:

*Sanderson International Value Group Trust*

The investment objective is to achieve long-term growth principally by investing in a diversified portfolio of equity securities of companies ordinarily located in any country other than the United States and Canada. As many companies have multinational operations, a company's location will be determined primarily by its jurisdiction of incorporation. To achieve its objectives, the fund generally seeks to invest in a portfolio of securities that, in its opinion, possesses fundamental investment value. For redemptions, the fund requires written notice six business days prior to month end and funds are paid out on the fifth business day unless cash flows permit the redemption to be accelerated. A maximum transaction charge of 60/40 basis points is applied to contributions/redemptions, respectively.

**NOTE 3 – PARTY-IN-INTEREST TRANSACTIONS**

Certain investments and securities lending activities in the Group Trust are managed by Mellon and State Street (through April 30, 2013). Any purchases and sales of these funds are performed in the open market at fair value. Such transactions, while considered party-in-interest transactions under ERISA regulations, are permitted under the provisions of the Plan and are specifically exempt from the prohibition of party-in-interest transactions under ERISA.

**NOTE 4 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS**

Accumulated Plan benefits represent the estimated future periodic payments, including lump sum distributions, under the Plan's provisions that are attributable to services rendered by employees through the valuation date. Accumulated Plan benefits include benefits expected to be paid to:

- a) retired or terminated employees or their beneficiaries, or
- b) beneficiaries of employees who have died, or
- c) present employees or their beneficiaries.

Benefits under the Plan are based on years of service and benefit credit rates. The accumulated Plan benefits for active employees are based on years of service and benefit credit rates on the date at which the benefit information is presented (valuation date). Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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The actuarial present value of accumulated Plan benefits is determined by the Plan's actuary, Aon Hewitt, and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements, such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2013 (beginning of the Plan year) are as follows:

Interest	7%
Mortality assumption:	The 2013 Static Mortality Table for Annuitants and Non-Annuitants
Retirement age:	Rates vary by age

Assumption changes include changes in the interest rate from 8% in 2012 to 7% in 2013, and mortality assumptions from the 2012 Static Mortality Table for Annuitants and Non-Annuitants to the 2013 Static Mortality Table for Annuitants and Non-Annuitants. Other changes represent the normal operation of the Plan and the increase is mainly due to ongoing benefit accruals and items of Plan experience that are not associated with Plan asset performance.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits.

The actuarial present value of accumulated Plan benefits at January 1, 2013 is as follows:

Actuarial present value of accumulated	
Plan benefits:	
Vested benefits	
Participants currently receiving payments	\$ 202,184,146
Vested benefits for other participants	<u>1,211,921,135</u>
Total vested Plan benefits	1,414,105,281
Nonvested benefits	<u>5,847,207</u>
Total actuarial present value of	
accumulated Plan benefits	<u><u>\$ 1,419,952,488</u></u>

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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The change in the actuarial present value of accumulated Plan benefits at January 1, 2013 is as follows:

Actuarial present value of Plan benefits, January 1, 2012	<u>\$ 1,078,014,726</u>
Increase (decrease) during the year attributable to:	
Interest accumulation	85,767,108
Benefit payments	(12,084,224)
Plan amendments	1,465,141
Assumption changes	195,575,978
Other changes	<u>71,213,759</u>
	<u>341,937,762</u>
Actuarial present value of accumulated Plan benefits, January 1, 2013	<u><u>\$ 1,419,952,488</u></u>

**NOTE 5 – FUNDING POLICY**

It is the policy of the Company to fund pension costs as accrued. Annual contributions, if any, are determined by the Plan's actuary to meet the requirements of the Funding Standard Account prescribed by ERISA and the Code. The Plan has met the minimum funding amounts as well as the specified timing requirements required by ERISA and the Code for the years ended December 31, 2013 and 2012.

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

**NOTE 6 – PARTICIPATION IN THE GROUP TRUST**

The Plan's participation in the Group Trust reported on the comparative statements of net assets consists of the investments held at fair value, certain receivables and liabilities that are not reported separately on the Plan's financial statements as follows at December 31:

	<u>2013</u>	<u>2012</u>
Investments, at fair value (Note 2)	\$ 6,079,443,169	\$ 4,851,882,395
Cash	-	9,094,230
Due from investment managers	148,764,576	102,656,502
Obligation to return collateral under security lending agreement	(783,316,596)	(159,604,006)
Due to investment managers	(128,397,579)	(89,466,453)
Accrued expenses	-	(14,524,919)
	<u>\$ 5,316,493,570</u>	<u>\$ 4,700,037,749</u>
Net assets allocable to the participating Plans		
Allocated to the LANS Defined Benefit Pension Plan	\$ 2,913,387,223	\$ 2,565,090,235
Allocated to the LLNS Defined Benefit Pension Plan	<u>2,403,106,347</u>	<u>2,134,947,514</u>
	<u>\$ 5,316,493,570</u>	<u>\$ 4,700,037,749</u>

**NOTE 7 – INVESTMENTS IN GROUP TRUST AND CERTIFIED INFORMATION**

All investment information disclosed related to the Group Trust and the Plan in the accompanying 2013 financial statements, including the Plan's participation in the Group Trust at December 31, 2013, and the Plan's interest in the investment income in the Group Trust for the year ended December 31, 2013, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by State Street and Mellon in accordance with 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

The following presents the fair value of the investment fund that represent 5% or more of the Group Trust's net assets at December 31, 2013:

Sanderson International Value Group Trust	<u>\$ 577,770,515</u>
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**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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The Group Trust's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value as follows for the year ended December 31, 2013:

U.S. government securities	\$ (130,122,813)
Corporate debt instruments	(114,879,173)
Corporate stock - preferred	(366,990)
Common stock	546,295,232
Common/collective trust	199,819,822
Other	(108,977,707)
Registered investment companies	<u>(13,725,361)</u>
	378,043,010
Dividends, interest, and other investment income	<u>119,876,439</u>
	<u><u>\$ 497,919,449</u></u>

**NOTE 8 - INVESTMENTS**

The following table presents the fair values of investments and investment funds that represent 5% or more of the Group Trust's net assets at December 31, 2012:

Sanderson International Value Group Trust	\$ 451,870,280
US Treasury N/B	443,039,941
US Treasury N/B	307,457,045

The Group Trust's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows for the year ended December 31, 2012:

U.S. government securities	\$ 12,767,502
Corporate debt instruments	81,957,140
Corporate stock - preferred	586,283
Common stock	252,332,267
Common/collective trust	67,794,583
Other	31,174,434
Registered investment companies	<u>6,169,651</u>
	452,781,860
Dividends, interest, and other investment income	<u>115,957,683</u>
	<u><u>\$ 568,739,543</u></u>

**LLNS DEFINED BENEFIT  
PENSION PLAN  
NOTES TO COMPARATIVE FINANCIAL STATEMENTS**

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**NOTE 9 – FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK**

In the normal course of operations, assets in the Group Trust are invested in financial instruments that may give rise to off-balance sheet risk. These instruments involve, in varying degrees, elements of credit and market risk in excess of the amounts recognized on the statements of net assets available for benefits. The notional value provides a measure of the Group Trust's involvement in such instruments but is not indicative of potential loss. The intent is to use these financial instruments to reduce, rather than increase, market risk. For 2013 and 2012, financial instruments consisted of futures.

**NOTE 10 – DERIVATIVE FINANCIAL INSTRUMENTS**

The Group Trust enters into futures contracts in the normal course of its investing activities to manage market risk associated with the Group Trust's fixed income investments and to achieve overall investment portfolio objectives. During 2013 and 2012, futures consisted of U.S. Treasury securities and these investments were made in accordance with the guidelines set forth by the Committee. The market risk associated with these contracts is minimal because they are traded on organized exchanges. The Group Trust's notional exposure related to these futures was approximately \$682,240,000 and \$142,100,000 for 2013 and 2012, respectively.

During the period the contract is open, changes in the value of the contract are recognized as unrealized gains or losses by daily marking to market the contract to reflect the market value of the contract at the end of each day's trading. The Group Trust receives from, or pays to, the broker an amount equal to the daily fluctuation in the market value of the contract known as margin variation, which is recognized in the net appreciation in fair value of investments.

The Group Trust is exposed to credit loss in the event of nonperformance by a counterparty to its contractual obligations. Based on the extent of the investment in these derivatives with any one counterparty, the Company has determined that the risk of loss to the Group Trust in the event of nonperformance by a counterparty is not significant. The Group Trust does not anticipate nonperformance by a counterparty. The fair value of the derivative instruments held by the Group Trust is based on the value of the underlying securities and is not material to total assets at December 31, 2013 and 2012.

**NOTE 11 – SECURITIES LENDING**

The Group Trust participates in a securities lending program with the trustee. The program allows the trustee to lend securities, which are assets of the Group Trust, to approved borrowers in exchange for collateral (cash and non-cash). For U.S. securities, the collateral requirement is 102% of the fair value of the securities lent. For foreign securities, the collateral requirement is 105% of the fair market value of the securities lent. In the event that the securities lent are not returned by the borrower and the collateral proceeds are insufficient to replace any of the lent securities, the trustee will pay such amounts as are necessary to make the Group Trust whole. As of December 31, 2013, collateral for securities on loan from the Group Trust, as shown in the investments of the Group Trust in Note 2, included reinvested collateral in accordance with the guidelines in the Securities Lending Authorization Agreement (Lending Agreement) of \$783,111,540 and cash of \$222,565. As of December 31, 2012, all collateral was reinvested in approved investments specified in the Lending Agreement.

The Group Trust and the trustee receive a percentage of the net income derived from the securities lending activities based on the type of securities received as collateral. Income earned by the Group Trust during 2013 and 2012 was approximately \$1,061,000 and \$112,000, respectively, net of trustee fees.

**LLNS DEFINED BENEFIT  
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**NOTE 12 – PLAN TERMINATION OR MODIFICATION**

With prior approval of the National Nuclear Security Administration, the Company can terminate the Plan, subject to the provisions of Federal Law. Upon the termination of the Plan, partially or in its entirety, the rights of all affected participants to benefits accrued to the date of such termination, to the extent funded as of such date, are nonforfeitable. Provided, however, that upon termination of the Plan, the Company's obligation to make further contributions to the Plan on behalf of affected participants shall cease, except for any additional contribution that may be necessary to meet the minimum funding or other requirements of ERISA.

In the event of a complete termination of the Plan, funds will be distributed to the extent available, in the following order:

- Accrued benefits derived from mandatory employee contributions.
- Annuity benefits that were in pay status before the beginning of the three-year period ending on the termination date, and those annuity benefits that could have been in pay status for participants who, before the beginning of the three-year period ending on the termination date, had reached their earliest retirement date as defined by the Pension Benefit Guaranty Corporation (the PBGC).
- Other vested benefits insured by the PBGC up to the applicable limits
- All other vested benefits
- All other participants

Any residual assets of the Plan will be distributed to the Company, provided that all liabilities of the Plan have been paid.

Certain benefits under the Plan are insured by the PBGC. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under the Plan and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of termination. There is a statutory ceiling, which is adjusted periodically, on the amount of a participant's monthly benefit that the PBGC guarantees. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan's sponsor and the level of benefits guaranteed by the PBGC.

**NOTE 13 – SUBSEQUENT EVENTS**

The Plan has evaluated subsequent events through October 13, 2014, which is the date the financial statements were available to be issued and determined that there were no subsequent events.

<b>SCHEDULE R</b> <b>(Form 5500)</b>  Department of the Treasury Internal Revenue Service  Department of Labor Employee Benefits Security Administration  Pension Benefit Guaranty Corporation	<b>Retirement Plan Information</b>  This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).  ▶ <b>File as an attachment to Form 5500.</b>	OMB No. 1210-0110
		<b>2013</b>
		<b>This Form is Open to Public Inspection.</b>

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
<b>A</b> Name of plan  LLNS Defined Benefit Pension Plan	<b>B</b> Three-digit plan number (PN) ▶ 003
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500  Lawrence Livermore National Security, LLC	<b>D</b> Employer Identification Number (EIN) 20-5624386

<b>Part I</b>	<b>Distributions</b>
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All references to distributions relate only to payments of benefits during the plan year.

<b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	<b>1</b>	0
<b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):  EIN(s): 20-5642386		
<b>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</b>		
<b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	<b>3</b>	2

<b>Part II</b>	<b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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<b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A
<b>If the plan is a defined benefit plan, go to line 8.</b>			
<b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. <b>Date:</b> Month _____ Day _____ Year _____ <b>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.</b>			
<b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....	<b>6a</b>		
<b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....	<b>6b</b>		
<b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) .....	<b>6c</b>		
<b>If you completed line 6c, skip lines 8 and 9.</b>			
<b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
<b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> N/A

<b>Part III</b>	<b>Amendments</b>
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<b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> Both	<input checked="" type="checkbox"/> No
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<b>Part IV</b>	<b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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<b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>11 a</b> Does the ESOP hold any preferred stock? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month  Day  Year

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

<b>a</b> The current year .....	<b>14a</b>	
<b>b</b> The plan year immediately preceding the current plan year .....	<b>14b</b>	
<b>c</b> The second preceding plan year .....	<b>14c</b>	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

<b>a</b> The corresponding number for the plan year immediately preceding the current plan year .....	<b>15a</b>	
<b>b</b> The corresponding number for the second preceding plan year .....	<b>15b</b>	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

<b>a</b> Enter the number of employers who withdrew during the preceding plan year .....	<b>16a</b>	
<b>b</b> If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers .....	<b>16b</b>	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment .... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: 59 % Investment-Grade Debt: 41 % High-Yield Debt: 0 % Real Estate: 0 % Other: 0 %

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☒ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate line 19(b)?  
☐ Effective duration ☐ Macaulay duration ☒ Modified duration ☐ Other (specify):